

Message Text

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ACTION AID-31

INFO OCT-01 EA-11 ISO-00 EB-11 IGA-02 SSO-00 RSC-01 DRC-01

H-03 L-03 /064 W

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O 171103Z MAY 74

FM AMEMBASSY SAIGON

TO SECSTATE WASHDC IMMEDIATE 4811

LIMITED OFFICIAL USE SAIGON 6485

EO 11652: N/A

TAGS:

SUBJECT: SENATE APPROPRIATIONS COMMITTEE STAFF INTEREST
IN REPORTED GVN ACTION ON RECENT TAX CASES

REF: STATE 101591

1. GVN HAS GREATLY STRENGTHENED ITS TAX ENFORCEMENT LAWS AND ADMINISTRATION IN RECENT YEARS. UNTIL JANUARY 1, 1973 THERE WERE NO CRIMINAL PENALTIES FOR TAX FRAUD. OF MORE SIGNIFICANT IMPORTANCE IS THE AGGRESSIVE INCOME TAX ENFORCEMENT ACTION TAKEN BY DIRECTOR GENERAL OF TAXATION TO INCREASE COLLECTIONS AND MAKE PUBLIC AWARE OF GOVERNMENT'S FIRM INTENT TO COLLECT. THIS WAS ILLUSTRATED IN TOAID A-1599 OF AUGUST 24, 1973 WHICH REPORTED INCREASES IN RECEIPTS IN FIRST HALF OF 1973 OVER SAME PERIOD OF 1972 OF 255 PER CENT FROM NON SALARIED INDIVIDUALS AND 84 PER CENT FROM CORPORATIONS, ATTRIBUTABLE TO AGGRESSIVE COLLECTION EFFORTS. U.S. TAX ADVISOR NOTED THAT CRIMINAL SANCTION IS NEVER USED FOR NONPAYMENT OF TAXES BUT ALWAYS FOR TAX FRAUD REQUIRING PROOF OF INTENT TO DEFRAUD WHICH IN DEVELOPED COUNTRIES IS NOT SIMPLE TASK. GVN HAS BEEN PURSUING SEIZURE OF PROPERTY AND PUBLIC SALES TO MEET DELINQUENT TAX OBLIGATIONS AS REPORTED IN THORSEN/ELIOT, AID/W TELECON MARCH 28, 1974 AND SAIGON 4276 OF APRIL 4, 1974.

2. RE PARA 2 REFTEL TWO CASES CITED ARE NOT SUBJECT TO TAX FRAUD CRIMINAL SANCTIONS. WE ARE INFORMED THAT MANAGER OF THE LIMITED OFFICIAL USE

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TINH NGHIA BANK MR. NGUYEN TAN DOI IS DETAINED IN JAIL PENDING

INVESTIGATION AND FRAMING OF CHARGES. WE ARE TOLD THAT LIKELY
HE WOULD BE CHARGED UNDER THE NATIONAL BANK LAW AND NOT UNDER
THE TAX LAWS.

3. NO CRIMINAL ACTIONS ARE INVOLVED IN THE EDEN ROC CASE AND
THE ASSESSMENT ACTION IS STILL IN LITIGATION.
DECONTROL 5/18/73.
MARTIN

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
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Disposition Case Number: n/a
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Disposition Date: 28 MAY 2004
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Disposition History: n/a
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